UNITED
NATIONS

DP

Executive Board of
the United Nations
Development Programme
and of the United Nations
Population Fund

Distr.
GENERAL

DP/CCF/PAK/1
2 July 1997

ORIGINAL: ENGLISH

Third regular session 1997
15-19 September 1997, New York
Item 6 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COUNTRY COOPERATION FRAMEWORK FOR PAKISTAN 1998-2003

CONTENTS

		Paragraphs	Page
INTRODUCTION		1 - 3	2
I.	DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE	4 - 5	2
II.	RESULTS AND LESSONS OF PAST COOPERATION	6 - 13	3
III.	PROPOSED STRATEGY AND THEMATIC AREAS	14 - 30	5
	A. Governance	17 - 21	6
	B. Gender	22 - 25	7
	C. Sustainable livelihoods	26 - 30	7
IV.	MANAGEMENT ARRANGEMENTS	31 - 39	8
Annex.	Resource mobilization target table for Pakistan (1998-2003)		11

97-18455 (E) 050897

INTRODUCTION

1. The first country cooperation framework (CCF) for Pakistan contains the goals and strategies of the Government for its development cooperation with UNDP for the period 1998-2003. Designed to work fully within the context of Pakistan's sustainable human development (SHD) needs as well as in the framework of United Nations system collaboration and goal setting, the CCF signifies an important step in addressing the issues of poverty in the country.

2. In preparing the CCF, the Government has drawn upon its own development strategies and priorities, presented over the last few months, including at the Pakistan Consortium in April 1997. It has also benefited from the advisory note presented by UNDP in May 1997, which in itself reflected the consensus decisions of the 1996 mid-term review of Pakistan's fifth country programme. Indeed, the views of the Government and UNDP are very closely aligned as a result of regular consultations, both bilateral as well as in the context of the Pakistan/United Nations/donor dialogue. The Government has also been fully involved in the preparation of the outlines for the programme.

3. The CCF is fully in tune with the priorities for the people of Pakistan and with those of UNDP.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

4. The principal characteristics of Pakistan's development situation have been well documented. The most important priorities may be summarized as follows:

(a) Reducing the trade deficit and re-invigoration of private investment. Macroeconomic stability and an export-led growth strategy will continue to need attention;

(b) Redressing macroeconomic imbalances. There is a need to prioritize external borrowing rather than relying on domestic resource mobilization; the continuous pressure on the development budget needs to be addressed vigorously.

(c) Improving human development indicators. Pakistan is determined to change its human development indicators, which are poor for a country with its per capita income: in 1996 it was 134th in the international human development index (HDI) ranking despite having a per capita gross national product (GNP) of $420;

(d) Reducing the gender gap. The paper that Pakistan presented to the Fourth World Conference on Women revealed that, in all measures of human development, women are worse off than men, with adult literacy half that of men, and life-expectancy unusually lower than that of men;

(e) Reducing the high rate of population growth. An important element of the Government's SHD policy is to reduce the current population growth rate of

2.8 per cent, which, if unchecked would mean that the present population of 140 million would grow to 250 million by 2020;

(f) Establishing a concerted programme to reduce level of poverty. Current estimates suggest that one third of Pakistan's total population, or 47 million people, live in absolute poverty;

(g) Expanding employment opportunities. Unemployment/underemployment have been estimated at 16 per cent of the population of working age, or 5.8 million, increasing by an annual average of at least 500,000;

(h) Reversing environmental deterioration. Pakistan faces a wide range of green and brown environmental problems, from deforestation, soil erosion and soil salinity, to industrial pollution and problems of solid waste disposal. These have become major factors in the incidence of poverty;

(i) Improving governance. This need represents a common feature in almost all development problems that the country faces.

5. The Government believes that these challenges can be overcome. A number of programmes to address them already exist, such as the Social Action Programme and the National Conservation Strategy. The Government, newly elected in February 1997 with a strong popular mandate, is committed to building on these programmes and has already announced a number of additional reform packages intended to bring about structural reform and to establish a sound basis for accelerated SHD. Moreover, the Government believes that the United Nations as a whole, and UNDP in particular, can play a positive role in assisting the Government and people of Pakistan to address the challenges of the future, as it has in the past.

II. RESULTS AND LESSONS OF PAST COOPERATION

6. The Government/UNDP joint issues paper, prepared for and adopted by the 1996 mid-term review, contained an extensive analysis of the results of, and the lessons learnt from, past cooperation between Pakistan and UNDP. The most important findings are described below.

Programme focus

7. The fifth country programme was based on four areas of programme concentration: (a) support to the Social Action Programme; (b) support to the management of the environment and natural resources; (c) income-generation, employment and productivity, including support to targeted programmes for the poor; and (d) support to institutional reform.

8. This programme concentration represented an appropriate response to Pakistan's development priorities and the Government still regards it as relevant to Pakistan's development priorities. Nonetheless, the mid-term review concluded that several elements within the overall thrust merited reinforcement:

(a) Poor and disadvantaged people should in all cases be the primary focus of the UNDP programme;

(b) The poverty-environment nexus should be addressed at two levels: that of national needs and in response to global environmental concerns;

(c) Governance should assume greater importance as a programmatic theme and should also inform all aspects of the UNDP programme;

(d) Gender, despite being a cross-cutting theme, needed more focused attention;

(e) Urban poverty should receive more attention than in the past;

(f) UNDP should focus more on the provincial and district levels of the country, in keeping with the devolved nature of most development issues;

(g) The programme should achieve more meaningful national ownership at all stages of the project cycle.

These conclusions are all reflected in the first CCF.

Programme design

9. While increasingly well focused on SHD and poverty alleviation, the programme has largely retained the project approach, dispersed in effort and variable in impact. There is therefore a need to focus efforts on a limited number of programmes and objectives, making more extensive use of the programme approach. This should assist, inter alia, in resource mobilization as a major priority. National execution should become the normal mode for programme management to ensure full national ownership. More reliance should be placed on nationally available expertise, with less recourse to long-term international advisers.

Programme performance and impact

10. The mid-term review concluded that UNDP cooperation had had significant catalytic impact but that measurable impact in many areas was difficult to document. Much greater effort should be made in future to design clear performance indicators. One area of particular concern in this regard was that of gender, where treatment as a cross-cutting issue served to vitiate the gender impact. For this reason, the mid-term review agreed to establish a separate gender programme, the precise aim of which would be to target women.

11. The mid-term review concluded that capacity-building and sustainability is an area that needs to be continually addressed and for which sustainable results can seldom be confirmed. There needs, therefore, to be greater integration of UNDP support into national programmes, stronger national management of the projects themselves and more stress placed on institutional issues.

Programme delivery

12. Although programme delivery has become an issue for UNDP as a whole, the Pakistan programme has demonstrated its capacity for a high level of overall delivery, when resources are available and sustained for a period of time. Provided that there will be some dependability of resources over the next several years, Pakistan will be able to optimize whatever resources UNDP can make available.

Collaboration and coordination

13. It was agreed that national coordination of the programme needed to be strengthened through a participatory approach. In order to maximize ownership and impact, however, management should be as decentralized as possible, at the provincial and local levels. While the resident coordinator system has achieved a high level of collaboration in certain areas, the possibility of joint United Nations programmes should be further developed. A similar joint approach should be adopted wherever possible with respect to programme monitoring and evaluation.

III. PROPOSED STRATEGY AND THEMATIC AREAS

Structure of the country cooperation framework

14. Based on the foregoing analysis, the CCF will address the issue of poverty eradication and SHD through three programme areas: (a) governance; (b) gender; and (c) sustainable livelihoods. Each of these thematic programmes will have four elements: (a) capacity-building; (b) alliance-building; (c) resource mobilization; and (d) support to advocacy activities. Several programme management and support facilities will be established to underpin this programme structure.

15. The entire programme, with each of its subprogrammes, is viewed as strategic in nature. This implies that substantial impact, particularly in such a large and complex country as Pakistan, will be achieved only over time. Nonetheless, programme design will ensure achievable targets within the six-year time frame of the CCF. Intermediate, three-year targets will also be defined in each case to facilitate an impact evaluation at this juncture.

Poverty eradication

16. Poverty eradication will be the overarching objective of the CCF. Each programme will be directed towards improving the living standards of the poorest segments of society and to take account of the increasing incidence of urban poverty will also include an urban dimension. Individual and community empowerment will be a common thread throughout the CCF. Another common thread will be support to the Social Action Programme, on the premise that basic education and health are essential prerequisites for poverty eradication, SHD and, indeed, for economic growth and employment-creation. Finally, close links will be maintained with the UNDP regional poverty programme, undertaken under the aegis of the South Asian Association for Regional Cooperation (SAARC).

A. Governance

17. Objectives. A priority of the Government is the creation of an enabling environment within which the people of Pakistan can influence the direction and conduct of their governing institutions. The UNDP programme will seek to strengthen Pakistan's capacity in areas such as democratic processes, policy development, development management, strengthening of civil society, and public-private linkages. In all areas, special emphasis will be placed on provincial and local processes and on community empowerment.

18. Strategies. Since no national programme yet exists in this area, UNDP will assist in the development of such a programme for the revitalization of the principal institutions of governance. At the federal level, this programme will include strengthening of the Institutional Reforms Group, which was established in 1995 and further strengthened during the interim government. At the provincial level, it is anticipated that each government will establish its own Institutional Reforms Group, following the lead of the North West Frontier Government, which has already done so.

19. At the local level, the programme will focus its attention on the emerging district management programme, currently being launched in each of the four provinces. Strengthening the institutions of civil society, especially non-governmental organizations (NGOs) and community-based organizations (CBOs), is an essential component of the programme, as is the promotion of the free flow of information as a basis for decision-making, through, for example, an expansion in the use of the Geographic Information System technology. Special attention will also be placed on strengthening the Social Action Programme, as one manifestation of governance issues.

20. The Governance Programme will be structured in a process-oriented approach, focusing attention on actions for long-term, self-reliant capacity-building, as well as on short-term improvements. The programme will be supported by the UNDP Regional Governance Facility, based in Islamabad, giving Pakistan access to both a national as well as an international network of experience and expertise to draw upon. The Government recognizes that governance is an area of considerable donor interest and will explore the possibilities for joint or parallel financing.

21. Expected outcomes. The Governance Programme is intended to produce the following specific outcomes: (a) a capacity for strategic thinking, planning and advocacy at the federal and provincial levels, involving all components of Pakistan society; (b) a strategic framework for national and provincial governance programmes; (c) enhanced capacity for participatory development management at provincial and selected district levels; (d) strengthened NGOs and CBOs, as deliverers of development services as well as an expression of a vigorous civil society; (e) enhanced capacity for the management of the electoral process through the Election Commission; (f) initiation of the reform of legislative and legal processes; (g) improved access to development information for citizens; (h) a programme of collaboration between the Government and the private sector in the field of investment promotion and technology transfer.

B. Gender

22. Objectives. The Government firmly believes in the need to advance the cause of women and therefore adopted the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). UNDP will assist the process of preparing a national programme for the implementation of CEDAW while developing specific interventions intended to make an identifiable difference to the lives of women - particularly poor women - in Pakistan.

23. Strategies. The programme will include a component for policy analysis and elements for national advocacy. Individual activities will be developed to address strategic issues, affecting the condition of women in society.

24. The programme will also include elements for economic, social and political change to achieve the above goals. These projects will seek to support practical steps that affect the lives of women, such as providing women's groups with micro-credit, enhancing women's mobility in Lahore, or increasing women's participation in the media and in electoral politics. These subprogrammes are expected to be excellent vehicles for the mobilization of non-core resources since they are of great interest to many donors. By its nature, this thematic area also involves extensive collaboration with NGOs and various informal women's groups.

25. Expected outcomes. Being the newest component, the gender programme will begin a phased build-up, in collaboration with the Government and civil society, including the identification of performance and impact indicators through a series of provincial and national workshops involving stakeholders at all levels. However, a number of concrete outcomes are expected to be achieved, such as: (a) improved access to credit for selected poor communities; (b) improved awareness of the importance of mobility to women generally, and, specifically, improved mobility for women in Lahore; (c) an increase in the participation of women in the media and an increased sensitivity to gender issues in media productions and articles; and (d) increased number of NGOs working on the political participation of women and increased participation of women in politics and government, at the local and federal levels.

C. Sustainable livelihoods

26. Objectives. The issue of poverty and the environment must be addressed in Pakistan at two levels: (a) interventions that address the poverty/environment nexus in a given geographical area of Pakistan, defined principally by the needs of the local community, especially its disadvantaged members; and (b) interventions that address global environmental concerns in the context of Pakistan. UNDP efforts will be directed to adding the human dimension to environmental issues, as well as in contributing to Pakistan's technical capacity.

27. Strategies. Taking its lead from the National Conservation Strategy, the programme will advance environmental policy-making and capacity-building of national institutions. The principal downstream thrust of its nationally driven subprogrammes will be to refine further the area-based programmes that represent

the pillars of UNDP practical poverty eradication efforts. The programme will also include interventions in several urban centres, building on the experience already gained on a micro-scale with the local initiative facility for urban development (LIFE) programme. In each area, the UNDP-supported programmes will seek to match integrated planning and resource management with community empowerment.

28. Taking global environmental concerns as its starting point, the Sustainable Livelihoods Programme will also provide the framework within which resources such as the Multilateral Fund of the Montreal Protocol and the Global Environmental Facility will continue to be mobilized for Pakistan. This will build on an already quite successful range of activities funded from these sources, in areas such as biodiversity and vehicular pollution. Wherever possible, however, the accent will be on assisting poor communities, consistent with the emphasis of the programme as a whole.

29. Being by their nature decentralized in terms of management, comprehensive in scope and geographically delimited in ambit, each of the subprogrammes will include specific local collaborative arrangements with other donors as well as locally active NGOs and CBOs. It will also expand the close links between UNDP and the International Fund for Agricultural Development (IFAD), which has agreed to fund the capital requirements for several of the programmes.

30. Expected outcomes. The main outcomes of the programme will include: (a) specific policy and programme recommendations for national debate, based on analysis of environmental issues; (b) quantifiable poverty reduction through a series of targeted programmes, addressing the poverty/environment nexus in some of the poorest communities in the country, in an integrated, multisectoral manner; (c) a similar programme in three poor urban areas, building upon the experience of the LIFE programme; (d) a quantifiable reduction in industrial pollution and consequent ill health in the tannery area of Kasur; and (e) a quantifiable reduction in vehicular pollution throughout the country.

IV. MANAGEMENT ARRANGEMENTS

A. Programme support and management facilities

31. In order to guarantee the success of the three thematic areas, and as a matter of principle on which to base management arrangements, the Government fully supports the intention of UNDP to underpin the programme and to manage its responsibilities in two distinct ways: (a) to complement and reinforce the programming and management of UNDP cooperation in its three main programme areas. It will do this by supporting programme development and implementation, including the continuation of successful programmes in technical cooperation among developing countries (TCDC) and the Transfer of Knowledge through Expatriate Nationals (TOKTEN). It will also enable UNDP to respond to ad hoc needs that may arise; and (b) to create joint mechanisms for United Nations system collaboration, thus enabling the UNDP Resident Representative to carry out his responsibilities as Resident Coordinator. Such mechanisms will include: a United Nations Studies Programme; the United Nations Joint and Co-Sponsored Programme on HIV/AIDS (UNAIDS); and a disaster-response capacity. In each

instance, the UNDP contribution will be the management mechanism itself, together with a part share of the financial resources.

B. Duration and time-frame of the country cooperation framework

32. The CCF will span the period 1998-2003, succeeding the current fifth country programme (1993-1998). It will dovetail with the Government's new emphasis on strategic planning and will be broadly congruent with the programmes of the United Nations Children's Fund (UNICEF), UNFPA and WFP, with which the UNDP programme is fully complementary.

C. Resources for the country cooperative framework

33. Core resources. The CCF is predicated on Pakistan's obtaining full access to both target for resource assignment from the core lines 1.1.1 and 1.1.2. The six-year CCF will be implemented by means of a three-year rolling resource framework in accordance with the new UNDP procedures. This resource frame will be reviewed in the context of the proposed annual review of the CCF.

34. Non-core resources. The core resources available from UNDP will be insufficient to meet the many demands that are already emerging from the newly framed programme. Thus, an integral part of the CCF's management will be non-core resource mobilization. The Government will, where appropriate, also utilize UNDP project management through cost-sharing and/or management service agreements, providing that the development activities supported are consistent with its SHD mandate and orientation.

35. Pakistan's contribution to UNDP. Pakistan is an active partner and co-financier with UNDP, both in the programme and through voluntary contributions to the core fund of UNDP. The Government will sustain and even endeavour to increase Pakistan's annual voluntary contribution in real terms, as well as its contribution to UNDP local office costs, as a symbol of this partnership.

D. Project cycle management

36. The process of project cycle management, from identification through formulation, implementation, review and evaluation, will be undertaken in a participatory manner, ensuring adequate consultation at the project site with all stakeholders, including the beneficiaries of the programme themselves. The centrepiece of this approach - the UNDP Local Programme Advisory Committee - will ensure full ownership of the programmes being supported.

E. Execution and implementation arrangements

37. National execution will be the preferred mode of execution, with the emphasis placed firmly on the importance of national management of the

development programmes being supported by UNDP. The choice as to the most appropriate mode of implementation will be an integral part of project design. United Nations specialized agencies will be invited where appropriate to provide substantive advice and support while UNDP will provide support by means of direct contracting and procurement. In view of the increasing shift of the programme to provincial and local levels, this implementation support capacity will be as decentralized as possible.

F. Annual reviews and triennial impact evaluation

38. Each of the component programmes of the CCF will be the subject of a participatory annual review. The results of these reviews will then be presented to an annual review of the programme as a whole, chaired by the Economic Affairs Division of the Ministry of Finance. Further, all component programmes will be subjected to an independent external evaluation, on average every three years. For each of the three thematic programmes, overall performance and impact criteria will be developed in a participatory process, as an integral part of overall programme management. The CCF as a whole will be subjected to an independent external evaluation every three years. Modifications to the CCF could be introduced as a result of this evaluation.

G. Support to national aid coordination

39. UNDP will continue to reinforce the Government's own efforts at aid coordination:

(a) Within the United Nations system. The UNDP Resident Representative, as Resident Coordinator, will continue to provide leadership to the United Nations development system so as to ensure a coordinated and cost-effective response to Pakistan's development needs.

(b) Within the donor community. The Resident Coordinator will continue to work closely with all donors to Pakistan, working within the context of the Pakistan Development Forum and providing secretariat services to the Local Dialogue Group, chaired by the Economic Affairs Division of the Ministry of Finance.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR PAKISTAN (1998-2003)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	(3 749)	
TRAC 1.1.1	39 128	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3		
Other resources		
SPR/LIFE	110	
Other SPR	484	
SPPD/STS	1 050	
Subtotal	37 023*	
NON-CORE FUNDS		
Government cost-sharing	549	
Sustainable development funds	20 619	
	of which:	
GEF	20 134	
Montreal Protocol	235	
Capacity 21	250	
Third-party cost-sharing	5 100	
Funds, trust funds and other	-	
Subtotal	26 268	
GRAND TOTAL	63 291*	

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Note: TRAC resources cover the period 1998-2003 and the remaining figures represent carry-over or targets for the period 1998-2000.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; LIFE = Local Initiative Facility for Urban Environment; SPPD = support for policy and programme development; SPR = special programme resources; STS = support for technical services; TRAC = target for resource assignment from the core.